

Building Blocks for Effective Housing Elements

Housing Programs: Assist in the Development

Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low-, and moderate-income households (Government Code Section 65583(c)(2)).

I. REQUIRED COMPONENTS OF PROGRAM ACTIONS

Effective programs reflect the results of the local housing need analyses, identification of available resources including land and financing, and the mitigation of identified governmental and nongovernmental constraints. Programs are the specific action steps the locality will take to implement its policies and achieve goals and objectives. Programs must include a specific time frame for implementation, identify the agencies or officials responsible for implementation and describe the jurisdiction's specific role in implementation.

Sample Program Format

Description of Specific Actions Steps, Jurisdiction's Specific Role in Implementation and Demonstration of Commitment to Implement

Timeframe:

Responsible Agency:

Objectives (quantified, where possible):

Funding Sources (where appropriate):

II. PROGRAM REQUIREMENTS

Having assessed and identified the housing needs of *extremely low-, very low-, low-, and moderate-income* households, including special needs households, localities must employ a sufficient number of strategies to assist in developing adequate housing to meet those needs.

To address this requirement, localities can offer direct support for the development of affordable housing through various financing mechanisms including the issuance of municipal and mortgage revenue bonds and use of redevelopment funds and authority. Direct assistance can also be provided through the utilization of appropriate federal and State financing and subsidy programs to create rental and ownership opportunities. Localities should create

first time homebuyer, equity sharing, or self-help housing programs to provide affordable homeownership opportunities. Local governments must also assist and support developers in making applications for other public or private housing funds or low-income housing tax credits.

Working with the building community, especially nonprofit housing developers, advocacy groups and tenants make assisting in the development of affordable housing easier and more effective. Many jurisdictions support existing nonprofit housing developers or help establish new joint ventures and local housing sponsors. Local governments can establish a local housing authority or work with an established nonprofit development corporation or Community-based Housing Development Organization (CHDO) to develop, operate, and manage low- and moderate-income housing projects. Contacts for housing advocacy and technical assistance organizations are available through links at the end of the section.

Local governments can indirectly facilitate the development of more affordable housing through effective administration of land-use controls and by providing appropriate regulatory concessions and incentives.

III. POLICY AND PROGRAM OPTIONS

The following are examples of programs and strategies that have been successfully implemented by localities to comply with State law and address their housing needs:

- Proactively build relationships with the building community, including non-profits and establish an array of regulatory and financial tools to assist residential development with a non-profit, including utilizing local trust funds and other local financial resources, donating land, supporting funding applications, assisting entitlements and expediting permit processing.
- Adopt a density bonus ordinance in compliance with Government Code Section 65915 and develop an outreach program to ensure its successful implementation.
- Expand on the minimum requirements of State density bonus law by offering additional density bonuses, incentives and concessions.
- Create an on-line, searchable inventory of surplus lands and publicize their availability to promote the use of sites for housing affordable to lower-income households.
- Provide fast track or one-stop permit processing for housing developments affordable to lower-income households or other priority housing needs (i.e., extremely low-income, large families, persons with disabilities, farmworkers).
- Reduce, waive or subsidize development and impact fees for affordable housing.

- Adopt a land banking program for future development of housing affordable to lower- and moderate-income households. A land banking program could include the use of CDBG or redevelopment funds to purchase sites as well as city/county owned sites.
- Establish impact fees based on square footage to appropriately charge for the level of impacts based on the size of the house or housing types (i.e., second-unit, SRO, multifamily, single-family). For example, a sewer impact of a second-unit is less than for a 5,000 square foot home.
- Adopt ministerial permit procedures for multifamily, transitional housing, supportive housing in multifamily zones.
- Reduce, waive or modify certain development standards to promote affordable housing development. For example, reduce parking standards or covered parking requirements for senior or certain projects designed for lower-income households.
- Establish ministerial procedures to reduce parking standards for housing for special needs households (i.e., seniors, persons with disabilities).
- Adopt tiered environmental reviews to lessen environmental review on a project-by-project basis.

IV. MODEL PROGRAMS

Program 1: Non-Profit Development

The City will initiate a partnership and continue to work with non-profit developers to assist the development of housing affordable to extremely low-, very low- and low-income households. The City will annually invite non-profit developers to discuss the City's plans, resources, development opportunities and RFQ process. In addition, the City will annually select a non-profit developer to pursue developments, including leveraging the local housing trust funds, assisting in the application for State and federal financial resources, and offering a number of incentives such as fee deferrals, priority processing and relaxed development standards.

Timeframe:

- Make initial contact with local nonprofits by the end of 2008.
- Conduct annual meeting with builders and nonprofits to review resources, incentives and City goals and objectives.
- Annually initiate RFQ process and pursue development of a housing project.

Responsible Agency: Housing Division

Objectives: 180 units over the planning period

Funding Sources: Redevelopment Housing Set-Aside, CDBG

Program 2: Density Bonus Ordinance

The City will adopt a density bonus ordinance in compliance with Government Code Section 65915.

Responsible Agency: Planning Division

Objectives: To promote the financial feasibility of development affordable to lower-income households utilizing density bonuses and incentives and concessions.

Timeframe: Adopt by end of 2009

Funding Sources: General Fund

Program 3: Surplus Properties

The City will compile an inventory of surplus properties owned by the City or other public entities and update the inventory annually. The inventory will include donated land and land otherwise acquired by the City. The City will publicize, post on the website and make the inventory available to nonprofit developers.

Timeframe:

- Compile inventory by June 2009, post on website and annually update.
- Annually distribute inventory to nonprofit developers.
- Identify funding resources to assist non-profit developers in purchasing sites (by the end of 2009 and update annually).

Responsible Agency: Housing Division

Objectives: 100 units over the planning period

Funding Sources: General Fund

Program 4: Multifamily Housing Program-Supportive Housing (MHP-Supportive) Funding

Utilizing City-owned lands, the City will select a nonprofit developer and assist and support preparing a funding application to HCD's MHP – Supportive Housing to develop housing affordable to extremely low-income households. The City will further assist with expedited permit processing, incentives and modification of development standards as necessary.

Timeframe:

- Select a developer by June 2009.
- Apply for funding by February 2010.

Responsible Agency: Housing and Planning Divisions

Objectives: 60 units over the planning period affordable to extremely low-income households.

Funding Sources: Multifamily Housing Program-Supportive and Redevelopment Set-Aside

Program 5: Housing Trust Fund

The City will examine alternatives to establish a local housing trust fund from a combination of public and private resources.

Timeframe:

- Identify alternatives and initiate action plan by January 2009.
- Establish local housing trust fund by February 2010.

Responsible Agency: Housing and Planning Divisions

Objectives: Local financing resources to facilitate the development of housing for low- and moderate-income families and workers.

Funding Sources: General Fund

V. PROGRAM IMPLEMENTATION SAMPLE

City of La Mesa – Mixed Use Program Brochure

[La Mesa Mixed Use Strategic Implementation Plan](#)

First Time Homebuyer Program (City of Pinole)

The City is committed to making the owning of a home an affordable, reachable reality for low- to moderate-income homebuyers. To learn if you qualify for one of our innovative programs, please review the eligibility criteria below and then contact one of the Participating Lenders.

- [Program Details](#)
- [Eligibility Criteria](#)
- [Frequently Asked Questions](#)
- [Participating Lenders](#)

PROGRAM DETAILS

The Pinole Redevelopment Agency has designed a program to provide zero interest second mortgages to income eligible households to assist with the purchase of a home.

- **Maximum Loan \$50,000**
After obtaining the maximum first mortgage your income will support, the Agency will provide up to \$50,000 to help bridge the gap between the

amount of your first loan and the purchase price of the home. The Agency loan is secured by a second Deed of Trust on the property.

- **Zero Interest - Deferred Payment**

Loans are zero interest and repayment of the loan is deferred until the sale or transfer of the home, refinance or payoff of the first mortgage, or recordation of a third mortgage.

- **Shared Appreciation**

The Agency loan carries shared appreciation upon repayment. In general, appreciation is the difference between the original purchase price of your home and the price of your home when you sell it. When you pay off your loan, the Agency will share in the appreciated amount of your home. The City's share will be equal to the percent that the City's loan was in relation to the original purchase price. For example, if the Agency loan was equal to 10% of the original purchase price, when the loan is repaid, 10% of the appreciated amount is owed as the shared appreciation.

Shared Appreciation Example	
Original Purchase Price	\$300,000
Agency Loan (17%)	\$50,000
Selling Price	\$400,000
Appreciation Amount	\$100,000
Shared Appreciation Owed (17% of \$100,000 Appreciation)	\$17,000
Total Owed to Agency	\$67,000

- **Application Process**

To qualify for this program, borrowers must apply for a first mortgage and this program with a Participating Lender. Participating Lenders will explain the application and will determine eligible borrowers. Applicants are required to attend a free home buying seminar sponsored by the Participating Lender. Loans will be available on a first come (qualify) - first serve (fund) basis.

- **Companion Programs**

Approved borrowers are eligible to participate in the City of Pinole [Residential Rehabilitation Program](#). This program provides grants and low interest loans to income eligible households within target neighborhoods for interior and exterior repairs.

ELIGIBILITY CRITERIA

1. *First Time Home Buyer:* You cannot have held ownership interest in a home in the last three years.
2. *Owner Occupied:* The home must be your principal place of residence and cannot be leased or rented during the term of the Agency loan.
3. *Target Areas:* The home must be located within one of the one of the [Eligible Locations](#).
4. *Buyer Requirements:* Borrowers must be able to pay a minimum of 3% of their own funds toward the purchase and must retain funds for reserves as required by a Participating Lender. Borrowers must apply for and be able to qualify for the maximum first mortgage possible through one of the Participating Lenders.

5. *Maximum Income:* The household maximum qualifying incomes are revised annually and are as follows:

MAXIMUM ANNUAL GROSS INCOME		
Household Size		Annual Gross Income
1		\$70,400
2		\$80,500
3		\$90,500
4		\$100,600
5		\$108,600
6		\$116,700
7		\$124,700
8		\$132,800

FREQUENTLY ASKED QUESTIONS

- **How do I apply?**
To apply for one of the programs you need to contact a participating lender and request an application for a first mortgage loan. The lender will determine your eligibility for the City of Pinole First Time Home Buyer Program.
- **Do I find a home before I apply for a loan?**
It is best to get pre-qualified by a lender before you look for a home. Having loan approval will save you time by allowing you to look for homes that you know you are qualified to purchase.
- **How long does it take to get qualified for a loan?**
The process takes from 7 to 30 days depending on the amount of documentation the lender needs to verify income and debts of the borrower.
- **Do I qualify for the program if I have bad credit?**
If you pass the credit standards of the first mortgage lender you will qualify for the Pinole programs.
- **Is the City of Pinole program a grant or a loan?**
Our programs are loans not grants. You do not make a monthly payment but you will have to pay us back when you transfer ownership, refinance the loan, or no longer use the home as your principal residence.

- **What if I stay in the home until my first mortgage is paid – up to 30 years?**
Our loan will be due when you pay off your first mortgage.
- **Do you have a list of homes that are for sale?**
We do not keep listings of homes for sale through our office. Pinole has very few new construction projects and usually the new homes are out of the price range for first time home buyers. Most of the homes purchased through our program are for sale through the existing owner or through a realtor. You can contact a local Real Estate Agent to obtain a current listing of properties in your price range.
- **Will a condominium or townhouse qualify for the program?**
Yes, condominiums and townhouses do qualify for the program. In the real estate market today they are the “starter home” of choice for many home buyers because they are generally smaller and less expensive than conventional single family houses.
- **Where do I sign up for a First Time Home Buyer seminar?**
Each of the participating lenders has a program for first time home buyers. Contact a lender for the dates and times they offer.
- **Can I use this program for a home outside Pinole?**
Our programs are only for homes in the target areas in the City of Pinole. Many of the cities in the surrounding areas have home ownership programs. Each city has different programs. If you are interested in other areas, you will need to contact the Housing Department in that city for information on their programs.

PARTICIPATING LENDERS

- **Mechanics Bank**
- **U.S. Financial**
- **Viking Mortgage**

FOR MORE INFORMATION

To receive more information about the Residential Rehabilitation Program or other programs offered by the City of Pinole Redevelopment Agency contact:

Development Services Department - Housing
2131 Pear Street
Pinole, Ca 94564
(510) 724-9014

or send us an email at housing@ci.pinole.ca.us.

VI. LINKS

General

[HCD Loan and Grant Program Directory](#)

[CalHFA](#)

[California Tax Credit Allocation Committee](#)

[California Debt Limit Allocation Committee](#)

[CA Dept of Mental Health, Mental Health Services Act](#)

[US Department of Housing and Urban Development](#)

[US Department of Agriculture, Rural Development](#)

[HCD Model Universal Design Local Ordinance \(AB 2787\)](#)

[HCD New Home Universal Design Checklist \(AB 1400\)](#)

[Affordable Housing Programs Bibliography- Department of Housing and Community Development](#)

[HUD Homeless Resources and Programs](#)

[The Enterprise Foundation](#)

[Nonprofit Housing Association of Northern California](#)

[Southern California Association of Nonprofit Housing](#)

[San Diego Housing Federation](#)

[Local Initiatives Support Corporation](#)

[Homebase](#)

[Shelter Partnerships, Inc.](#)

[PolicyLink's Equitable Development Toolkit](#)

[Homes for Working Families: Handbook of High-Impact State and Local Solutions \(Center for Housing Policy\)](#)

[Lincoln Institute of Land Policy, The Effectiveness of Community Land Trusts](#)

[NeighborWorks America](#)

[Brookings Institute: Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice](#)

Program Links

[City of Davis Sample RFQ to Build Affordable Housing](#)

[City of Fremont, Developing Affordable Housing Website](#)

[City of Santa Clara Model BMP](#)

[City of San Diego Affordable/in-Fill Housing & Sustainable Buildings Expedite Program](#)

[City of Pinole, First-time Homebuyer Program](#)

[City of Glendale, First-time Homebuyer Program](#)

[City of Emeryville, First-time Homebuyer Program](#)

[City of Fremont, First-time Homebuyer Program](#)

[City of Petaluma, First-time Homebuyer Program](#)

[City of San Luis Obispo Fee Waiver Program](#)

[City of Sacramento Infill and Affordable Fee Program](#)

[City of Sacramento, Infill House Plan Program \(Infill Prototype Plans\)](#)

[City of San Diego Transit Overlay Zone, Parking Reductions](#)

[City of San Diego Tandem Parking Overlay Zone](#)

[City of Fremont, Affordable Housing Development Incentive Program](#)

[Mayor's Office of Housing, City of San Francisco Affordable Housing Website](#)

[City of San Francisco Housing First Program for the homeless](#)

[San Diego Housing Commission Housing Trust Fund](#)

[San Luis Obispo County Housing Trust Fund](#)

[City of Berkeley Housing Trust Fund](#)

[City of Sacramento Housing Trust Fund](#)

[City of Palo Alto Affordable Housing Fund](#)

[City of Santa Rosa Housing Trust](#)

[City of Los Angeles Affordable Housing Trust Fund](#)

[City of Berkeley Shelter Crisis Ordinance](#)

[City of Berkeley Pocket Resource Guide for Homeless Persons](#)

[Housing Trust of Santa Clara County](#)

[Housing Land Trust of Sonoma County](#)

[Employer Assisted Housing Tool Kit](#)